

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RECEIVED

MAY 17 2004

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

ARIZONA CORPORATION
DIRECTOR OF UTILITIES



W-01944A
Lago Del Oro Water Company
9532 East Riggs Road
Sun Lakes AZ 852487411

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
----	----	------

FOR COMMISSION USE

Ann04	03
-------	----

COMPANY INFORMATION

Company Name (Business Name) Lago Del Oro Water Company

Mailing Address 9532 E Riggs Road
(Street)

Sun Lakes

(City)

Arizona

(State)

85248

(Zip)

(480) 895-9200 (480) 895-4347 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 40,004 S Ridgeview Blvd
(Street)

Tucson

(City)

Arizona

(State)

85739

(Zip)

(520) 825-3423 (520) 825-0712 (520) 932-5892
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: James Poulos General Manager
(Name) (Title)

9532 E Riggs Road Sun Lakes Arizona 85248
(Street) (City) (State) (Zip)

(480) 895-9200 (480) 895-4347 _____

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Ed MacMeans
(Name)

40,004 S Ridgeview Blvd Tucson Arizona 85739
(Street) (City) (State) (Zip)

(520) 825-3423 (520) 825-0712 (520) 932-5892

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: FC Services Corporation

(Name)

3003 N Central Ave #2600

Phoenix

Arizona

85012-2913

(Street)

(City)

(State)

(Zip)

(602) 916-5000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Marty Aronson

(Name)

One E Camelback Road

Phoenix

Arizona

85012

(Street)

(City)

(State)

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Lago Del Oro Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	42,608		42,608
304	Structures and Improvements	81,089	18,327	62,762
307	Wells and Springs	1,753,588	514,650	1,238,938
311	Pumping Equipment	2,181,359	552,832	1,628,527
320	Water Treatment Equipment	499,277	143,542	355,735
330	Distribution Reservoirs and Standpipes	2,878,455	919,002	1,959,453
331	Transmission and Distribution Mains	3,338,433	1,101,349	2,237,084
333	Services	1,118,758	340,235	778,523
334	Meters and Meter Installations	395,014	133,110	261,904
335	Hydrants	500,779	165,744	335,035
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	605,874	155,118	450,756
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	80,000	11,333	68,667
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	13,475,234	4,055,242	9,419,992

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME

Lago Del Oro Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	42,608	0	0
304	Structures and Improvements	81,089	.0479	3,888
307	Wells and Springs	1,753,588	.0487	85,444
311	Pumping Equipment	2,181,359	.0490	106,887
320	Water Treatment Equipment	499,277	.0500	24,964
330	Distribution Reservoirs and Standpipes	2,878,455	.0497	143,138
331	Transmission and Distribution Mains	3,338,433	.0464	154,909
333	Services	1,118,758	.0445	49,742
334	Meters and Meter Installations	395,014	.0453	17,878
335	Hydrants	500,779	.0492	24,616
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	605,874	.0501	30,352
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	80,000	.0500	4,000
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	13,475,234	.0479	645,818

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

Amort of CIAC (13,978)

631,840
=====

COMPANY NAME

Lago Del Oro Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 89,869	\$ 118,745
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	144,100	140,639
146	Notes/Receivables from Associated Companies	324,137	267,573
151	Plant Material and Supplies		
162	Prepayments	53,422	81,394
174	Miscellaneous Current and Accrued Assets	142,570	157,638
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 754,098	\$ 765,989
	FIXED ASSETS		
101	Utility Plant in Service	\$ 13,186,899	\$ 13,475,234
103	Property Held for Future Use		
105	Construction Work in Progress	6,239	16,810
108	Accumulated Depreciation – Utility Plant	3,417,193	4,055,242
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 9,775,945	\$ 9,436,802
	TOTAL ASSETS	\$ 10,530,043	\$ 10,202,791

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 63,047	\$ 48,683
232	Notes Payable (Current Portion)	271,622	565,200
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	404,780	389,728
236	Accrued Taxes	79,674	81,096
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	28,638	37,198
	TOTAL CURRENT LIABILITIES	\$ 847,761	\$ 1,121,905
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 4,122,637	\$ 3,555,276
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	551,514	551,772
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	374,762	407,577
272	Less: Amortization of Contributions	(305,201)	(319,179)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 621,075	\$ 640,170
	TOTAL LIABILITIES	\$ 5,591,473	\$ 5,317,351
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 150,500	\$ 150,500
211	Paid in Capital in Excess of Par Value	4,322,625	4,322,625
215	Retained Earnings	465,445	412,315
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 4,938,570	\$ 4,885,440
	TOTAL LIABILITIES AND CAPITAL	\$ 10,530,043	\$10,202,791

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,634,682	\$ 1,684,135
460	Unmetered Water Revenue		
474	Other Water Revenues	34,856	32,052
	TOTAL REVENUES	\$ 1,669,538	\$ 1,716,187
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 188,596	\$ 201,360
610	Purchased Water		
615	Purchased Power	366,547	337,848
618	Chemicals	8,207	5,783
620	Repairs and Maintenance	92,181	106,143
621	Office Supplies and Expense		
630	Outside Services	50,044	49,878
635	Water Testing	14,361	72,554
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	20,945	26,760
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	71,545	75,409
403	Depreciation Expense	599,971	631,840
408	Taxes Other Than Income		
408.11	Property Taxes	105,373	113,793
409	Income Tax	(7,392)	(15,018)
	TOTAL OPERATING EXPENSES	\$ 1,510,378	\$ 1,606,350
	OPERATING INCOME/(LOSS)	\$ 159,160	\$ 109,837
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 27,354	\$ 18,286
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	208,831	181,251
	TOTAL OTHER INCOME/(EXPENSE)	\$ (181,477)	\$ (162,965)
	NET INCOME/(LOSS)	\$ (22,317)	\$ (53,128)

COMPANY NAME	Lago Del Oro Water Company
---------------------	----------------------------

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07/27/00	03/05/01		
Source of Loan	California Bank & Trust	California Bank & Trust		
ACC Decision No.	62845	62845		
Reason for Loan	Plant Additions	Plant Additions		
Dollar Amount Issued	\$ 2,894,259	\$ 1,500,000	\$	\$
Amount Outstanding	\$ 2,713,933	\$ 4,120,476	\$	\$
Date of Maturity	07/27/06	07/27/06		
Interest Rate	Prime	Prime		
Current Year Interest	\$ 180,326	\$ 93,457	\$	\$
Current Year Principle	\$ 119,380	\$ 61,871	\$	\$

Meter Deposit Balance at Test Year End	\$ 389,728
--	------------

Meter Deposits Refunded During the Test Year	\$ 83,443
--	-----------

COMPANY NAME Lago Del Oro Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
See attached						

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
See Attached		372	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	2	15,000	1
250,000	2	10,000	2
200,000	1	6,000	2
100,000	1	2,000	6
12,000	3	1,000	3

Well Site Facilities
Lago Del Oro Water Company

Location	POE #	DWR #	Pump Horsepower	Pump Yield in GPM's	Casing Depth in Feet	Casing Diameter in Inches	Meter Size (Inches)	Year Drilled
Well # 1	POE 001	55-613452	75	560	804	16	6	1963
Well # 3	POE 003	55-613459	2	15	241	8	1	1973
Well # 4	POE 004	55-613454	150	350	800	16	8	1963
Monitoring Well # 4		55-514519	N/A	N/A	N/A	N/A	N/A	N/A
Well # 5	POE 005	55-613455	15	75	300	10	3	1972
Well # 6	POE 006	55-613456	30	120	450	8	3	1973
Well # 7	POE 007	55-613460	10	25	495	8	2	1972
Well # 8	POE 008	55-613457	7.5	120	225	8	3	1972
Well # 11	POE 003	55-613458	3	35	609	8	1	1981
Well # 13	POE 013	55-623397	15	70	310	10	2	1971
Well # 14	POE 014	55-518207	200	1385	800	16	8	1987
Well # 15	POE 015	55-526451	200	1000	804	16	8	1990
Well # 16	POE 004	55-547494	300	1300	959	16	10	1996
Well # 17	POE 017	55-548874	200	1100	1100	16	10	1995
Well # 18	POE 017	55-548873	100	330	1109	16	6	1996
Well # 19	POE 019	55-573651	150	490	1200	20	6	1999

BOOSTER PUMPS

Horsepower	Quantity
75	3
50	2
40	2
30	6
20	6
15	4
10	2
5	4
3	1

COMPANY NAME	Lago Del Oro Water Company
---------------------	----------------------------

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	5,943
3	PVC	20,497
4	PVC	86,007
5		
6	PVC	153,029
8	PVC	119,297
10	PVC	23,676
12	PVC	4,903

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	5,171
1	53
1 1/2	8
2	43
Comp. 3	4
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	4
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: Lago Del Oro Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	4,975	50,021,099	56,172
FEBRUARY	4,995	50,087,509	50,834
MARCH	5,013	43,075,741	46,822
APRIL	5,029	63,035,173	71,359
MAY	5,042	83,319,478	86,109
JUNE	5,066	100,545,438	96,487
JULY	5,070	93,859,598	102,768
AUGUST	5,102	63,984,390	66,540
SEPTEMBER	5,126	79,782,447	79,246
OCTOBER	5,158	78,382,772	72,984
NOVEMBER	5,190	57,899,173	58,307
DECEMBER	5,209	48,176,051	55,141
TOTAL		N/A	842,769

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☒ Yes ☐ No

If yes, provide the GPCPD amount: 231 (2000)

What is the level of arsenic for each well on your system. see attached mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Lago Del Oro Water Company

Well	Service Location	Section	IDWS	Well ID #	Arsenic Levels
Well # 1 - POE 001	15916 N. Capstan Avenue	9	55-613452	D-11-14-9-AAA	<0.002 PPM
Well # 2 - POE 002	3415 E. Golder Ranch Road	9	55-613453	D-11-14-9-CDA	<0.002 PPM
Well # 3 - POE 003	5400 E. Golder Ranch Road	23	55-613459	D-11-14-23-DBD	<0.002 PPM
Well # 4 - POE 004	Section 23	23	55-514519	D-10-14-23-CAC	<0.002 PPM
Well # 5 - POE 005	15850 N. Lago Del Oro Parkway	10	55-613455	D-11-14-10-AAD	<0.002 PPM
Well # 6 - POE 006	16515 N. Lago Del Oro Parkway	2	55-613456	D-11-14-2-BDB	<0.002 PPM
Well # 7 - POE 007	Edwin Road	11	55-613460	D-11-14-11-ABD	<0.002 PPM
Well # 8 - POE 008	5447 E. Edwin Road	35	55-613457	D-10-14-35-DCC	<0.002 PPM
Well # 11 - POE 003	5180 E. Golder Ranch Road	23	55-613458	D-11-14-23-ACC	
Well # 13 - POE 013	3280 E. Lamb Drive	9	55-623397	D-11-14-9-BBD	<0.002 PPM
Well # 14 - POE 014	38514 S. Canyon View Court	27	55-518207	D-10-14-27-DDD	<0.002 PPM
Well # 15- POE 015	63579 S. SaddleBrooke Blvd.	35	55-526451	D-10-14-27-ACB	<0.002 PPM
Well # 16 - POE 004	35729 S. Boulder Crest Drive	23	55-547494	D-10-14-23-ACB	
Well # 17 - POE 017	37745 S. Boulder Wind Drive	27	55-548874	D-10-14-27-BCD	<0.002 PPM
Well # 18 - POE 017	63182 E. Desert Highland Drive	34	55-548873	D-10-14-34-BAB	
Well # 19 - POE 019	62971 E. Amberwood Court	34	55-573651	D-10-14-34-BBD	<0.002 PPM
Water Plant # 1 - POE 014	38514 S. Canyon View Court	27			
Water Plant # 2 - POE 004	35729 S. Boulder Crest Drive	23			
Water Plant # 3 - POE 017	38209 S. Desert Bluff Drive	27			
Water Plant # 4 - POE 019	62971 E. Amberwood Court	34			

COMPANY NAME Lago Del Oro Water Company YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 109,586.39

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

LAGO DEL ORO WATER COMPANY

9532 E. Riggs Rd.
Sun Lakes, AZ 85248-7411

Pay

THREE THOUSAND NO HUNDRED FORTY THREE AND 00/100

To **JIM E. TURNBULL - PINAL COUNTY TREASURER**
 The **PINAL COUNTY TREASURERS OFFICE**
 Order **PG BOX 8729**
 Of **FLORENCE, AZ 85132-0729**

[Signature]



⑈306652⑈ ⑆122100024⑆ 0969 1135⑈

⑈0000364348⑈

FINGERPRINT & CERTIFICATION SECTION REQUIRED
 SHOWN IN THE ENDORSEMENT AREA. SEE BELOW FOR ADDITIONAL SECURITY FEATURES.
 ENDORSE HERE

1. ADHERE TO THE FOLLOWING SECURITY FEATURES:
 1. MICRO PRINTING or lines on face and back, under magnification.
 2. LOOK FOR "FINGER PRINT" SECURITY PRINTING on back.
 3. Edge of check has a COLORED BACKGROUND.
 4. Background color of check is green.
 5. Micro print on back of check.
 6. Micro print on front of check.
 7. Micro print on back of check.
 8. Micro print on front of check.

27621
 122100024
 BACK ONE, NA
 122100024
 122100024

APR 10 03

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:
 1. MICRO PRINTING or lines on face and back, under magnification.
 2. LOOK FOR "FINGER PRINT" SECURITY PRINTING on back.
 3. Edge of check has a COLORED BACKGROUND.
 4. Background color of check is green.
 5. Micro print on back of check.
 6. Micro print on front of check.
 7. Micro print on back of check.
 8. Micro print on front of check.

119013314
 090603
 APR 10 03

THIS CHECK IS VOID WITHOUT A BLUE & GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

LAGO DEL ORO WATER COMPANY
 9532 E Riggs Rd
 Sun Lake, AZ 85248-7411

Bank One, NA
 201 N Central Ave Dept 383
 Phoenix, AZ 85038

91-2/1221 **307183**

Date	Amount
10/17/03	\$*****3,402.19

Pay
THREE THOUSAND FOUR HUNDRED TWO AND 19/100 *****
 Dollars

To
 The
 Order
 Of

JIM L TURNBULL - PINAL COUNTY TREASURER
PINAL COUNTY TREASURERS OFFICE
PO BOX 729
FLORENCE AZ 85232-0729

[Signature]

SIGNATURE HAS A COLORED BACKGROUND - BORDER CONTAINS MICROPRINTING

U.S. PATENT 5,538,990; 5,575,506; 5,641,163

⑈307183⑈ ⑆122100024⑆ 0969 1135⑈ ⑆0000340219⑆

DO NOT WRITE STAMP

10/24/03

BANK ONE 7091257 3053405603 10/23/2003
 ⑈111901331⑈
 10242003
 56291729

Pay to the order of any bank
 Pinal County Treasurer
 Bank # 51324-8588

U.S. PATENT NO. 5,538,990; 5,575,506; 5,641,163

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	307183	\$3,402.19		10/24/2003	5640291729
Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label		
	601	000000000000	20031031454401	20031031454401		

THIS CHECK IS VOID WITHOUT A BLUE & GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK CERTIFICATION SEAL ON THE BACK - HOLD AT ANGLE TO VIEW SEAL

LAGO DEL ORO WATER COMPANY
9532 E Riggs Rd
Sun Lakes, AZ 85248-7411

Bank One, NA
201 N Central Ave Dept 383
Phoenix, AZ 85038

91-2/1221 307203

1103 222-03-03903

Date	Amount
10/24/03	\$*****53,586.54

FIFTY THREE THOUSAND FIVE HUNDRED EIGHTY SIX AND 54/100 *****

To The Order Of BETH FORD, PIMA COUNTY TREASURER
P O BOX 98765
PHOENIX AZ 85038-0765

Signature: *[Handwritten Signature]*

U.S. PATENT 5,582,990; 5,578,608; 5,641,183

307203 122100024 0969 1135 0005358654

OT 03 31
One NA Bedford TX
111901331

0003 20812

BANK OF AMERICA, N.A. TFE
1221017064 E2342 30 P07
10/30/03
3550797575

FOR DEPOSIT ONLY
TO THE ORDER OF
BETH FORD
PIMA COUNTY TREASURER
PIMA COUNTY, ARIZONA
412-724156

DO NOT WRITE STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	307203	\$53,586.54		10/30/2003	8740010275
Customer Data	Bank #	GL Category	CD VolID/CIMS Key	CD Label		
	601	000000000000	20031031454401	20031031454401		

COMPANY NAME Lago Del Oro Water Company

YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following: Taxable year ended 04/30/03

Federal Taxable Income Reported	<u>(175,031)</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>2,757</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>40,675</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>40,675</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

5-17-04
DATE

James L. Poulos

PRINTED NAME

General Manager

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

MAY 17 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Maricopa
NAME (OWNER OR OFFICIAL) TITLE
Brian J. Smith - Controller
COMPANY NAME
Lago Del Oro Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:


Arizona IntraState Gross Operating Revenues Only (\$)

\$ 1,816,647

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 109,425

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(480) 895-9200
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

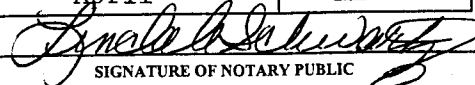
27th

DAY OF

COUNTY NAME		
Maricopa		
MONTH	April	20_04



June 19, 2004


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
MAY 17 2004
ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) Brian J. Smith	TITLE Controller
COMPANY NAME Lago Del Oro Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

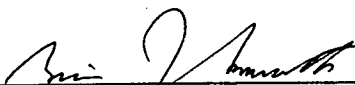
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,483,577

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 83,224
IN SALES TAXES BILLED, OR COLLECTED

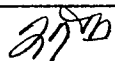
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



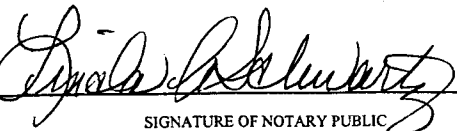
DAY OF

NOTARY PUBLIC NAME Linda A. Schwartz	
COUNTY NAME Maricopa	
MONTH April	20 04



MY COMMISSION EXPIRES

June 19, 2004

X 
SIGNATURE OF NOTARY PUBLIC